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**UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA**

DENNIS E. EMOND, Derivatively on Behalf of
IZEA WORLDWIDE, INC.,

Plaintiff,

v.

EDWARD H. MURPHY, RYAN S. SCHRAM,
BRIAN W. BRADY, JOHN H. CARON,
LINDSAY A. GARDNER, JILL M. GOLDER,
and DANIEL R. RUA,

Defendants,

and,

IZEA WORLDWIDE, INC.,

Nominal Defendant.

Case No. 2:18-cv-9040

EXHIBIT A

**CORPORATE GOVERNANCE
REFORMS**

Within forty-five (45) days of issuance of the Court's order approving the settlement of the Action, the Board shall adopt resolutions and amend committee Charters and/or its Bylaws¹ to

¹ The term "Bylaws" refers to the Amended and Restated Bylaws attached as Exhibit 3.2

1 ensure the adoption, implementation and/or maintenance of the following modifications and
 2 reforms to the Company's corporate governance and business ethics practices (the "Reforms"),
 3 which shall remain in effect for no less than five (5) years or until a majority of the independent
 4 directors vote to change any of the modifications or reforms, whichever is sooner.

5 IZEA and its Board acknowledge and agree that the filing, pendency, and settlement of
 6 the Derivative Action was a precipitating and material factor in the Board's adoption,
 7 implementation, and/or maintenance of the Reforms, and that the Reforms confer a substantial
 8 benefit upon IZEA and IZEA shareholders.

9 **A. Improvements to Financial Reporting of Revenue**

10 The Company has engaged in a review of the Company's overall and categorical reporting
 11 of revenue. The review included implementing new procedures surrounding the Company's
 12 method of determining how IZEA's revenues are reported, including specifically whether they are
 13 reported as gross amounts billed to marketers or on a net transaction basis. Such procedures
 14 include establishing a more formalized process of review of the categorizations and underlying
 15 calculations by members of the Company's senior management.

16 The Company shall engage in such a review annually during the next three years.

17 **B. Board Composition and Practices**

18 1. Separate Committee Chairs. No Board member may simultaneously serve
 19 as chairman of more than one committee; however, in the event that the resignation of a current
 20 member of the Board requires any overlap in committee chairs, the Company will disclose that
 21 fact via IZEA's website and the Board will use its best efforts to eliminate the overlap within one
 22 hundred twenty (120) days.

23 2. Limitation on Active CEOs. The Board may include only three (3)
 24 members who are CEOs at any other company.

25 3. Director Education. Each member of the Board shall attend at least three
 26 (3) hours of online or in-person courses at a company, institution, or program that provides board
 27 member education or training services, within one (1) year after Court approval of the settlement.
 28 Defendants further agree that newly-elected members of the Board will attend such programs
 within one (1) year of joining the Board.

4. Meetings of the Board of Directors. The Board shall meet not less than six
 (6) times each fiscal year, including special meetings.

5. Meetings in Executive Session. At its discretion, the Board shall meet in
 executive session of the independent directors in connection with each regularly scheduled Board
 meeting.

to the current report on Form 8-K filed by IZEA on November 23, 2011 with the SEC, as
 amended through the date of this Settlement Term Sheet.

6. Meetings of Board Committees. The Audit Committee shall meet not less than four times (4) per year, and the Nominating and Governance and Compensation Committees shall meet at least two (2) times per year.

7. Board Size. At the time the Action was filed, the Company had seven (7) members on its Board. Following Defendants' receipt of Plaintiffs' settlement demand and negotiations during the Mediation, Defendants agreed in principal to add an additional director and the Company has since added an eighth member to its Board who meets the independence standards set forth by NASDAQ. The Company will require that the number of directors which shall constitute the whole Board shall be not less than five (5).

C. Director Independence

1. A majority of the members of the Board shall qualify as "independent directors" under the applicable NASDAQ rules and as set forth below. If the Company fails to comply with the independence requirements set forth herein due to one or more vacancies of the Board, or if one or more directors cease to be independent due to circumstances beyond their reasonable control, IZEA shall regain compliance with these requirements within ninety (90) days.

2. To be deemed "independent" in any calendar year, a director would have to satisfy the following qualifications in addition to meeting NASDAQ independence requirements:

(a) has not been employed as an elected officer of IZEA or its subsidiaries or affiliates within the last five (5) calendar years;

(b) has not served in an interim capacity as an officer of IZEA or its subsidiaries or affiliates within the last three (3) years; and

(c) has not received, during the current calendar year or any of the three (3) immediately preceding calendar years, remuneration, directly or indirectly, other than *de minimus* remuneration, as a result of service as a board member or director, or compensation paid to an entity affiliated with the director that serves as (a) an advisor, consultant, or legal counsel to the Company or to a member of the Company's senior management; or (b) a significant customer or supplier of the Company.

3. A director is deemed to have received remuneration (other than remuneration as a director, including remuneration provided to a non-executive Chairman of the Board, or Committee Chair), directly or indirectly, if remuneration, other than *de minimus* remuneration, was paid by IZEA, its subsidiaries or affiliates, to any entity in which the director has a beneficial ownership interest of 5% or more, or to any entity by which the director is employed or self-employed other than as a director except for those directors that are employed or self-employed at academic institutions. Remuneration is deemed *de minimus* remuneration if remuneration paid to such an entity (a) did not for the calendar year exceed the lesser of \$1 million, or 5% of the gross revenues of the entity and (b) did not directly result in a material increase in the compensation received by the director from that entity, or if such remuneration is \$75,000 or less in any calendar year.

D. Improvements to the Role of the Company's General Counsel

1. Additional duties of the Company's General Counsel include, but are not limited to, oversight and administration of IZEA's corporate governance policies (including the Code of Ethics), fostering a culture that integrates compliance and ethics into business processes and practices through awareness and training, and reporting and investigating potential compliance and ethics concerns. General Counsel will provide a report to the Audit Committee as necessary, as requested by the Audit Committee, or in the event of a compliance or ethics occurrence, and will report promptly to the Audit Committee any allegations of such compliance and ethics concerns relating to financial fraud or reporting violations.

2. IZEA's General Counsel shall be primarily responsible for managing IZEA's ethics and compliance program and for assisting the Board in fulfilling its oversight duties with regard to IZEA's compliance with applicable laws, regulations and accounting standards, and the dissemination of true and accurate information. In this regard, General Counsel shall provide reports to the Audit Committee of the Board and work with other Board committees as necessary to facilitate the Board's oversight responsibilities. The responsibilities and duties of IZEA's General Counsel shall include the following:

(a) Working with the Audit Committee to evaluate and define the goals of IZEA's ethics and compliance program in light of trends and changes in laws that may affect IZEA's compliance with laws relating to disclosure of the Company's risk exposure;

(b) Advising IZEA's Audit Committee and acting as an adviser to the executive officers, the Board, and the Board's Audit Committee, in which capacity General Counsel shall: (i) be primarily responsible for assessing organizational risk for misconduct and noncompliance with applicable laws and regulations; (ii) report promptly material risks relating to compliance or disclosure issues to the Audit Committee of identification of these risks; and (iii) make recommendations for further evaluation and/or remedial action within deadlines established by the Audit Committee;

(c) Performing, through use of outside counsel, an independent review of IZEA's draft quarterly and annual reports filed with the SEC on Forms 10-Q and 10-K, and related materials prior to their publication to ensure (i) the accuracy, completeness and timeliness of disclosures relating to risk exposure from the Company's reporting of financial results and weak internal controls, (ii) the identification and disclosure of any material risks to IZEA's compliance with applicable laws and regulations, and (iii) accurate reporting of any material issues that may merit disclosure to IZEA's Audit Committee;

(d) Reviewing and approving, where practicable, IZEA's press releases prior to their publication to ensure the accuracy, completeness, and timeliness of disclosures relating to accounting matters, and any material risks to IZEA's compliance with applicable laws and regulations, and reporting any material issues that may merit disclosure to IZEA's Audit Committee;

(e) Working with IZEA's Audit Committee to evaluate the adequacy of IZEA's internal controls over compliance and developing proposals for improving these controls;

(f) Overseeing and reviewing, where practicable, IZEA's marketing materials; and

(g) Overseeing employee training in risk assessment and compliance as set forth in Section G.

E. Internal Controls and Compliance Functions

1. IZEA's CFO shall not have been employed by one of IZEA's outside auditor firms during the prior two (2) years or, if having conducted the audit of IZEA while being employed by one of IZEA's outside auditor firms involved in the auditor firm's audit of IZEA, during the prior five (5) years. For avoidance of doubt, participating in the review shall not be deemed a violation of this proposal.

2. Moreover, to strengthen the internal audit and control function with respect to compliance with laws and regulations, the General Counsel must, through outside counsel, approve all quarterly corporate SEC press releases and meet with the Company's CFO once every quarter to discuss ongoing and potential litigation and compliance issues.

F. Amendments to Audit Committee Procedure

IZEA shall adopt the following procedures as set forth below:

(a) The Audit Committee shall receive annually a report listing all trades in IZEA securities engaged in by Section 16 officers, which report shall identify any suspicious or non-compliant trades;

(b) The CFO, under the direction of the Audit Committee shall conduct the necessary preemptive due diligence to ensure that the Company is not without a registered independent auditor for more than thirty (30) days upon the resignation or termination of its current registered independent auditor;

(c) The Audit Committee shall review, in conjunction with the Company, the risk management policies of the Company's operations; and

(d) The Audit Committee shall be responsible for monitoring IZEA's compliance with all internal risk assessment and internal reporting conducted by IZEA employees through receipt of calls from the Whistleblower Hotline. The Audit Committee shall also have free access to management and Company employees for the purpose of identifying material risks relating to IZEA. The Audit Committee shall meet with the Board whenever any material risks relating to IZEA are identified.

G. Employee Training in Risk Assessment and Compliance

IZEA's CEO, CFO, General Counsel, Controller, and employees involved in accounting and compliance at IZEA shall be required to attend at least three (3) hours of courses at www.complianceonline.com or through a similar service, on topics including compliance, risk assessment, and accounting within one (1) year after Court approval of the settlement.

1 Defendants further agree that newly-hired employees involved in accounting and compliance at
2 IZEA will attend such programs within one (1) year of hire.

3 **H. CFO Reports**

4 As requested by the Board, but at least at each regularly scheduled Board meeting, the
5 Company's CFO (or his or her designee) shall provide a report as to the Company's financial
6 condition and prospects, including, but not limited to, a discussion of all reasons for material
7 increases in expenses and liabilities, if any, and material decreases in revenues and earnings, if
any, management plans for ameliorating or reversing such negative trends and the success or
failure of any such plans presented in the past.

8 **I. Whistleblower Policy**

9 1. The Board shall require management to adopt written policies protecting
10 whistleblowers and include such policies on the Company's website.

11 2. The Company's Whistleblower Policy shall:

12 (a) Encourage interested parties to bring forward ethical and legal
13 violations and/or a reasonable belief that ethical and legal violations have occurred to the Audit
14 Committee or a whistleblower hotline established by the Company (the "Whistleblower Hotline")
so that action may be taken to resolve the problem. These complaints shall be reviewed by the
Audit Committee, in consultation with and under the supervision of the General Counsel, and
presented to the full Board; and

15 (b) Communicate effectively that IZEA is serious about adherence to
16 its corporate governance policies and that whistle blowing is an important tool in achieving this
17 goal.

18 3. The Whistleblower Policy – with the endorsement of the Board and the
19 most senior management of the Company – must adequately notify employees, independent
20 contractors and vendors of IZEA, by posting a copy of the Whistleblower Policy on the
Company's website, of the following:

21 (a) Whistleblower complaints may be directed to the Audit Committee,
22 a manager, the Company's General Counsel, or to the Whistleblower Hotline, and the complaints
will be handled by these parties anonymously and in confidence;

23 4. The Company shall post information regarding its Whistleblower Policy
24 and its Whistleblower Hotline conspicuously on its website and make clear that it is available to
25 assist on matters pertaining to corruption, fraud or similar unlawful activities at IZEA, and IZEA
shall provide alternative reporting mechanisms including an anonymous email address.

26 **J. Mandatory Attendance of Directors at Annual Shareholder Meetings**

27 The Company does not require its directors to attend IZEA's annual meeting of
28 stockholders. During the annual stockholder meeting, stockholders shall have the right to ask
questions, both orally and in writing, and receive answers and discussion where appropriate from

1 the CEO and members of the Board. Board members will make themselves available by
2 teleconference to answer any questions that might arise. Such discussion shall take place
3 regardless of whether those questions have been submitted in advance.

4 **K. Board Diversity**

5 The Company shall endeavor to utilize the “Rooney Rule” for underrepresented
6 populations when seeking candidates for nomination to the Board, provided that such
7 underrepresented populations have applied for or expressed interest in serving on the Board.
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